

# E2open Audit and Settlement

Automation to Reduce Carrier Invoice Overpayments

Bills of lading are incorrect up to one-quarter of the time, often resulting in overcharges. Shippers face a tedious and costly process to catch these charges by manually comparing each charge on their invoice against contracted rates and the services actually rendered. **E2open's Audit and Settlement application** automates the audit and review process to quickly identify discrepancies before shippers pay, saving time and reducing overall logistics costs up to 10%.

On average, transportation accounts for roughly 15% of cost of goods sold, making it a major factor for maintaining gross margin goals. Continuous pressures and customer demand for faster service at lower prices place shippers with greater control over logistics costs at a competitive advantage. One way is to negotiate favorable rates with preferred carriers. While financially superior, preferential contracts are often far more complex and cumbersome for shippers to review against every invoice. Most companies lack the time and resources to manually check every invoice against the contractual terms to validate charges. As a result, shippers often overpay carriers — sometimes as much as 10%.

One of E2open's Transportation and Logistics intelligent applications, E2open Audit and Settlement streamlines and automates invoice reconciliation by digitizing the processes. The first step is to house digital contract data in the platform — either through the service offered by E2open or another means. Algorithms instantly compare every line of every invoice against the contract stipulations and shipment manifest to ensure 100% accuracy before initiating payment. This provides a sustainable margin advantage and ensures that companies garner the full value of favorable, negotiated rates.

## KEY FEATURES

-  Digitally stores contracts and amendments as business rules that are linked to carrier rules
-  Compares each bill of lading — charge-by-charge — with the contracted amount
-  Quickly identifies discrepancies and submits billing errors to carriers for resolution
-  Facilitates electronic invoice transmission, feedback and resubmission
-  Sets tolerances for the degree of deviation permitted for specific rates and surcharges

## KEY BENEFITS

-  Frees-up time spent on manual line-by-line invoice reviews
-  Enables shippers to efficiently ensure they're not overpaying carriers
-  Provides historical data to improve future carrier contracts
-  Improves carrier relations by avoiding finger-pointing and conflict
-  Maintains current carrier contracts in a digital database

## Time and Cost Savings Through Process Automation

Carrier invoices are frequently incorrect, due primarily to the sheer complexity of shipping contracts and the number of variables that can change daily. Reviewing every invoice against contract terms is a menial, time-consuming and error-prone task. Automating the process of invoice audits provides huge time savings and gains in productivity. When applied across thousands of invoices, the time and money saved has a significant impact on logistics costs, product margins and job satisfaction.

### Carrier Contract Digital Twin

E2open's team of expert contract publishers analyzes a shipper's service contracts and develops business rules for calculating rates and applying the correct accessorial charges. The system digitally maintains carrier accessorial revisions and updates the contracts in near real-time. This combination of service and technology helps shippers manage the complexity of cost variables and fluctuations inherent to service contracts and control costs on buy-side contracts.

### Line-By-Line Comparison and Reconciliation

E2open Audit and Settlement stores and maintains all contracts and amendments as business rules linked to carrier rules used for billing. The application compares each bill of lading — charge-by-charge — with the correct record of what should have been charged on that date for the specific service rendered. By instantly identifying discrepancies, shippers can quickly submit issues to carriers for resolution. E2open's carrier network facilitates invoice transmission, feedback and resubmission for a closed-loop process.

### Documentation to Resolve Carrier Issues

In addition to accurately identifying errors, shippers also use the records from E2open Audit and Settlement to provide documentation when contesting carrier charges. By presenting comparative differences between agreements and invoices, shippers foster positive carrier relations and billing accuracy improves over time.

## Initiation of Perfect Payments

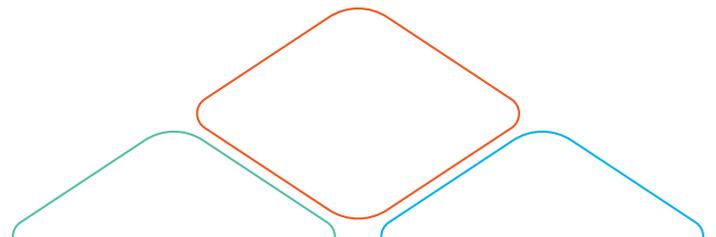
Shippers like to pay their freight bills on time to get priority treatment from carriers. With the confidence that invoices are reconciled and accurate, users can quickly initiate payment directly in the application. With integration to internal or external payment processing platforms, there is no need to re-key data or send emails to the finance team. The speed of the auditing process allows for timely payments and enhances carrier relationships.

## Historical Data for Reporting and Future Contracts

Companies can use canonical freight payment data to generate reports for future strategic analysis and budgeting. The ability to benchmark freight lane information, actual transportation spend and contract overages will help guide future planning and carrier negotiations.

## End-to-End Supply Chain Management Platform

Once an organization implements any E2open platform application, it is easy to add more capabilities in the future for better visibility, coordination and control over the end-to-end supply chain. The E2open platform creates a digital representation of the internal — and optionally external — network, connect internal enterprise resource planning (ERP) and financial systems using SAP® and Oracle® certified adapters for timely data feeds, and normalizes and cleanses the data to make it decision-grade. Using machine learning-enabled algorithms and supply chain management applications, the platform processes the data and provides bi-directional, closed-loop communications back to ERP systems for execution. This facilitates the evolution of supply chain processes towards true convergence of end-to-end planning and execution.



**Shippers can reduce freight spend as much as 10% by automating the carrier invoice audit process to ensure accuracy before authorizing payment.**

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